



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

June 14, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE AN ORDINANCE TO REPEAL THE PROPANE GAS PIPELINE  
FRANCHISE GRANTED TO SAN LUIS BUTANE DISTRIBUTORS, INC.  
DBA DELTA LIQUID ENERGY  
(FIFTH DISTRICT) (3-VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve an ordinance to repeal the propane gas pipeline franchise granted to San Luis Butane Distributors, Inc., dba Delta Liquid Energy (Delta).
2. Find that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.
3. Introduce, waive reading and place on your Board's agenda for adoption, the ordinance that implements the recommendation, becoming effective 30 days from adoption thereof.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Your Board's approval and adoption of the accompanying ordinance will repeal the Delta propane gas pipeline franchise that is no longer needed due to the conversion of the area served to natural gas service.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The County Strategic Plan directs that we provide the public with quality service that is beneficial and responsive (Goal 1). The Board's approval and adoption of the ordinance to repeal the Delta franchise is consistent with this goal.

### **FISCAL IMPACT/FINANCING**

The terms of the franchise requires Delta to pay annual franchise fees based upon two percent of the gross receipts derived from the franchise, but not less than one percent of the gross receipts derived from sales of propane in the franchise area. After repeal of the franchise, Delta will no longer pay annual fees which totaled less than \$200 annually.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On March 14, 1996, your Board adopted Ordinance No. 96-0020F, awarding Delta a pipeline franchise for a term of 15 years to transmit, store and distribute propane gas to a new development in the Big Mountain Ridge area near Acton. However, when the original developer encountered financial difficulties the remaining lots were sold to another developer in the region, which contracted with Southern California Gas Company (SCGC) to provide natural gas service to subsequent phases, instead of continuing propane service through Delta. Consequently, this left Delta providing propane to only a few homeowners (seven) along one private roadway in the initial development phase (Myers Creek Road).

As SCGC's service area grew and its natural gas pipelines reached the proximity of this private road, one of these homeowners converted to natural gas service from SCGC. Accordingly, Delta requested the County to repeal the franchise agreement, installed individual propane tanks at the remaining six lots, and as instructed by the County, applied to the Department of Public Works (DPW) to abandon the propane pipeline in place.

Delta has provided DPW a field report on the abandonment project showing the propane pipeline was cut, filled with water, capped and abandoned in place, and DPW has issued Delta its final permit approval. Although Delta provided the option for continued propane service from individual propane tanks, SCGC extended its natural gas pipeline along this private roadway and all remaining homeowners have now converted to natural gas.

### **ENVIRONMENTAL DOCUMENTATION**

This project is categorically exempt from the CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

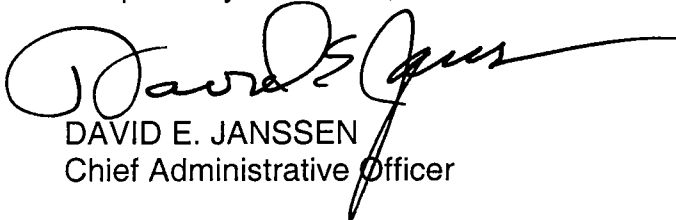
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Repealing Delta's franchise will not impact or adversely affect current services or future projects. The Department of Public Works and County Fire Department have reviewed the request and have no objection to repealing the Delta franchise. County Counsel has reviewed the accompanying ordinance and approved it as to form

**CONCLUSION**

Instruct the Executive Officer, Board of Supervisors, to notify Delta of the Board's action on this matter, and forward conformed copies of the adopted Board recommendation and the adopted ordinance to Attention: Bill Platz, President, San Luis Butane Distributors, Inc., Post Office Box 3068, Paso Robles, CA 93447 and forward conformed copies of this letter and the adopted ordinance to the offices of County Counsel, Audit Division of Auditor-Controller, Department of Public Works, Fire Department, and the Chief Administrative Office, Real Estate Division, Property Management Section, 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



DAVID E. JANSSEN  
Chief Administrative Officer

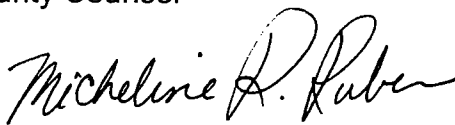
DEJ:CWW  
CB:RB:cc

c: County Counsel  
Auditor-Controller  
Department of Public Works  
Fire Department

## ANALYSIS

This ordinance repeals Ordinance No. 96-0020F, which granted a propane gas pipeline franchise to San Luis Butane Distributors, Inc., dba Delta Liquid Energy.

RAYMOND G. FORTNER, JR.  
County Counsel

By   
MICHELINE R. RUBEN  
Deputy County Counsel  
Public Works Division

MRR:gjh

5/4/05 (requested)

5/10/05 (revised)